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SUBJECT: Response to MERO Interim Report on Regional Embassy (REO)
Office Hillah, Iraq

REF: Butenis-Arnston Information Memo 5/5/2009

(SBU) Sensitive but Unclassified. Protect Accordingly.

¶1. (SBU) SUMMARY. Dated March 24, 2009, State IG Middle East Regional Office (MERO) Interim Report on Role, Staffing, and Effectiveness of the Regional Embassy Office (REO) in Hillah, Iraq (MERO-IQO-09-04) made a number of recommendations about the future of the REO. Specifically, it recommended that Embassy Baghdad and OPA minimize unnecessary capital improvements to the REO, relocate the Provincial Reconstruction Team (PRT) Babil from the REO to military Patrol Base (PB) Hillah, curtail or transfer REO Hillah security and support staff to other locations in Iraq, and return the Hillah hotel to the Government of Iraq. The Office of Provincial Affairs (OPA) agrees with most of these recommendations, except for that of moving PRT Babil to Patrol Base Hillah. Instead, by mid-October, the PRT will be moved to Kalsu, a more appropriate location on U.S. military forward operating base (FOB) outside of the city. END SUMMARY.

¶2. (SBU) The Interim Report's specific recommendations and OPA's responses to them are:

Recommendation 1: Continue the stoppage or curtailment of all capital improvement projects at REO Hillah.

Response 1: All capital improvements non-essential to life support or security at REO Hillah were halted in preparation of an anticipated decision on PRT Babil relocation and Hillah hotel decommissioning.

Recommendation 2: Relocate PRT Babil and other U.S. Government employees to the U.S. Army's Patrol Base Hillah.

Response 2: OPA management and Multinational Corps-Iraq (MNC-I) determined that the patrol base's downtown location would be inappropriate to house the PRT. The closure of the REO and departure of the civilian security staff will radically change the movement profile of the PRT. Instead of moving in armored Suburbans with civilian contract protective security details, PRT staff will travel to meetings and other events in tactical military vehicles driven by military movement teams. Moving the PRT and its military support units to PB Hillah - located nearly in the center of Hillah, would have given the appearance of violating Article 24 of the U.S.-Iraq Security Agreement, which requires the U.S. military to be out of Iraq's cities by June 30, 2009. Instead, OPA and MNC-I have agreed to relocate the PRT to FOB Kalsu, north of Hillah and well outside of the city.

Recommendation 3: Curtail or transfer REO Hillah security and support staff to other locations in Iraq.

Response 3: OPA, the Embassy Baghdad Management section and the Regional Security Office have been planning and coordinating on the relocation and/or curtailment of the civilian contracted static security force as well as "life support" staff. The protective security details were reduced in August as the military assumed responsibility for transporting PRT members.

Recommendation 4: Decommission and return the Hillah hotel property to the Iraqi government.

Response 4: The decommissioning and return of the Hillah hotel property is included as part of the PRT Babil relocation, and that will begin as soon as the PRT has moved. A requirement of the decommissioning process is a formal notification to Congress of Embassy Baghdad's intention to close the REO. The Embassy asked the Department to send the Congressional notification on August 10, 2009.

¶3. (SBU) The Conclusions and Recommendations section of the final report also called for an acceleration of plans to relocate the PRT and decommission the Hillah hotel. Specifically, the report stated "OIG concludes the Embassy should consider closing REO Hillah within Q"OIG concludes the Embassy should consider closing REO Hillah within the next two to four months based on the estimates provided to the Embassy." OPA was not opposed in principal to an accelerated relocation and beginning the decommissioning of the Hillah hotel. However, planning and coordination between USG civilian, military and Iraqi military stakeholders, as well as the ongoing security and political developments complicated an accelerated timeline.

¶4. (SBU) The logistical complexities of moving the PRT to FOB Kalsu made it impossible to accelerate relocation of PRT Babil and decommissioning of the Hillah Hotel. That said, the relocation of PRT Babil, closure of REO Hillah and decommissioning and return of the hotel are now proceeding. OPA and Embassy Baghdad Management expect to have relocated the PRT by mid October 2009 and, following the move, inventory and decommissioning, Embassy plans to return the hotel to the Iraqi government at the end by December 2009.

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